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DD/S&T 3600-64

28 December 1964

MEMORANDUM FOR: Executive Director - Comptroller

SUBJECT : Reconsideration of OBPAM Distribution of
Agency Wide Cut in FY 1966 Personnel Funds

1. It is the purpose of this memorandum to request reconsideration of the basis upon which OBPAM proposes to determine the DD/S&T share of the Bureau of the Budget cut of [REDACTED] in FY 1966 funds for personnel services.

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2. The portion of the cut which we have been informed by OBPAM is proposed for DD/S&T amounts to [REDACTED] or approximately 18 percent of the Agency cut. It is noted in this connection that this Directorate is programmed in FY 1966 for only about 8 percent of total Agency personnel and that the proposed cut is about [REDACTED] greater than would result from computation on the latter basis.

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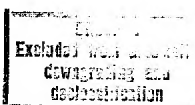
3. The additional impact of further reductions in funds available for our FY 1966 program warrants careful consideration and should be considered in the light of the objectives toward which there has been general agreement this Directorate should build. You are aware, of course, that the FY 1966 Budget estimate of this Directorate in the amount of [REDACTED] represented a significant curtailment of goals we had considered desirable to provide a proper level of scientific and technical support to the Intelligence Community. That proposed program was reduced to [REDACTED] by Bureau of the budget action on specific items. Some of the items "cut" will be programmed for completion by reprogramming funds

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budgeted for other activities. It is worthy of note that further pressure on the FY 1966 program will result from the fact that some projects programmed for FY 1965 will be deferred until FY 1966 by reason of absorption by the Directorate in the current year of the costs of unprogrammed actions such as [REDACTED] and the four IR cameras (about [REDACTED]).

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4. We recognize notwithstanding the foregoing that as a practical matter this Directorate must absorb such reasonable share of Agency-wide cuts as is consistent with the job to be done by us in relation to the respective missions of the other Directorates. The composition of the [REDACTED] cut proposed for DD/S&T is as follows:

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Reduction in budgeted overtime
Reduction relating to average
employment factor
Reduction relating to average
salary factor

TOTAL



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5. In our detailed review of the above CBPAN proposed cut we have no serious question about the basis used for determining the reductions relating to overtime and average employment. In both cases the cuts essentially were based on an analysis of the FY 1966 programmed postures of each Directorate - the overtime cut was based on a percentage of the amount budgeted by each Directorate and the cut relating to average employment was based on a review of the projected average employment in FY 1966 for each Office, in relation to the number of budgeted positions.

6. We do have serious reservations, however, concerning the equity of the basis used by CBPAN for determining the proposed DD/S&T reduction relating to the average salary factor. The principal base for this reduction is the difference between actual average salary in each component as of 30 November 1964 and the budgeted average salary for FY 1966. This technique clearly is to the disadvantage of components with justified requirements for increases in high-level positions and to the advantage of components with staffing complements completely filled as of 30 November 1964 at levels for which no increase is projected for FY 1966.

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The continuing recruitment by this Directorate of scientific and technical personnel to fill the high level positions programmed in the FY 1965 and 1966 budget estimates as essential to the achievement of objectives toward which the Directorate is building naturally will cause a continuing increase in average salaries in this Directorate through the balance of FY 1965 and all of FY 1966. Changes between actual average salaries between 30 November 1964 and projected average salaries for FY 1966 portray the impact of the above most clearly in FNSAC, as reflected below:

<u>OFFICE</u>	<u>AVG. SALARY 30 NOV. 64</u>	<u>BUDGETED AVG. SALARY FY 1966</u>	<u>OBPAM PROPOSED REDUCTION FOR AVG. SALARY FACTOR</u>
DD/S&T			
OSA			
ORD			
OSI			
OEL			
FNSAC			
OCS			

a/ No reduction proposed because of requirement for funds to cover T/O increase of 25.

7. Conceding the absence of any obviously equitable "formula" for distributing the Agency-wide reduction relating to the average salary factor, we recommend that the maximum reduction in DD/S&T funds for this factor not exceed an amount computed on a prorata basis of DD/S&T personnel in relation to total Agency personnel. A reduction on this basis would approximate [REDACTED] instead of the [REDACTED] now planned by OBPAM.

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ALBERT D. WHEELON
Deputy Director
for
Science and Technology

P&P/DD/S&T: [REDACTED] jem (30 Dec 64)
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